

## Message Text

SECRET

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ACTION NODS-00

INFO OCT-01 ISO-00 /001 W

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P 061305Z DEC 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC PRIORITY 9443

S E C R E T CAIRO 16755

NODIS

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: GDS

TAGS: PFOR, US, IS, EG

SUBJECT: AMOCO DRILLING IN GULF OF SUEZ

REF (A) CAIRO 14828, (B) STATE 270093

1. AS YOU KNOW, WE HAVE NOT YET HAD A REPLY FROM THE EGYPTIANS ON THE FOUR POINTS WHICH, IF ACCEPTED, WOULD ALLOW AMOCO DRILLING TO BE RESUMED AT 304.1. WHEN I LAST SAW THE PRESIDENT, HE INDICATED HIS INCLINATION TO GO ALONG IF IT IS CLEARLY UNDERSTOOD THAT USG AND NOT GOE WILL CONDUCT TALKS WITH ISRAELIS ON OTHER DRILLING SITES IN EASTERN GULF OF SUEZ, BUT WANTED TO DISCUSS THE SUBJECT FURTHER WITH FAHMY BEFORE GIVING US A FORMAL REPLY (CAIRO 16340).

2. LAST NIGHT, AT THAI RECEPTION, FAHMY TOOK ME ASIDE TO ASK IF THERE IS NOT SOME WAY IN WHICH YOU CAN GET THE AMOCO DRILLING MATTER RESOLVED BEFORE THE NEW ADMINISTRATION TAKES OVER. THIS GAVE ME THE OPOORTUINITY TO REMIND FAHMY THAT THE BALL IS IN THE EGYPTIAN COURT, AND THAT WE ARE STILL AWAITING A REPLY TO THE FOUR POINTS. FAHMY CLEARLY DID NOT LIKE POINTS TWO AND FOUR. HE OBJECTED TO THE PRINCIPLE OF GOE AGREEING TO NEGOTIATE WITH ISRAEL ON ANY FUTURE DRILLING EAST OF THE MEDIAN LINE. AS HE VIEWS IT, AGREEMENT TO THAT POINT WOULD

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BE TANTAMOUNT TO ACCEPTING THE LEGALITY OF THE MEDIAN

LINE. IN THIS CONNECTION, HE EXPRESSED CONCERN THAT OUR POSITION ON THE MEDIAN LINE MAY BE WEAKENING. ON POINT FOUR HIS OBJECTION WAS THAT ACCEPTANCE IMPLIES EGYPTIAN RECOGNITION OF THE FACT THAT THE ISRAELIS HAVE A LEGAL POSITION.

3. I TOLD HIM AGAIN, AS I HAVE ON PREVIOUS OCCASIONS, THAT THE MATTER OF FUTURE DRILLING BEYOND 304.1 IS NOT, IN OUR VIEW, NECESSARILY TO BE DEALT WITH DIRECTLY BETWEEN EGYPT AND ISRAEL OR AS A COMPONENT OF PEACE NEGOTIATIONS. WE ARE PREPARED TO BE THE MIDDLE MAN IN ANY DISCUSSIONS ON THE SUBJECT. WHILE I APPRECIATED HIS CONCERNS, IT SEEMED TO ME THAT THE FOUR POINTS ARE SUFFICIENTLY INNOCUOUS THAT THEY OUGHT TO BE ACCEPTABLE TO EGYPT. THEY REPRESENT A PRAGMATIC WAY TO MOVE AHEAD. THEY WOULD ALLOW AMOCO TO PROCEED AT 304.1 AND GOE WOULD NOT REALLY BE CONCEDING ANYTHING THAT IS NOT ALREADY A PART OF THE SITUATION. GIVEN THE SITUATION ON THE GROUND, DRILLING CANNOT GO AHEAD IN THE EASTERN PART OF THE GULF THAT ISRAEL CONSIDERS UNDER ITS CONTROL UNLESS ISRAEL ACQUIESCES. HOW ISRAEL MIGHT BE BROUGHT AROUND ULTIMATELY TO ACQUIESCE IS LEFT OPEN. BOTH WE AND EGYPT RESERVE OUR LEGAL POSITIONS ON THE SUBSTANCE OF THE MATTER, INCLUDING THE QUESTION OF THE LEGALITY OF THE MEDIAN LINE.

4. FAHMY CONTINUED TO HARBOR MISGIVINGS, BUT SAID HE WILL WANT TO LOOK AT THE MATTER AGAIN.  
EILTS

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## Message Attributes

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